Supreme Court of the United States.

ELGIN NATIONAL WATCH COMPANY,
Appellant,

vs.

ILLINOIS WATCH CASE COMPANY, THOMAS W. DUNCAN AND MYER ABRAHAM,
Appellees.

Appeal from the Circuit Court of the United States for the Northern District of Illinois.

BRIEF AND ARGUMENT FOR APPELLEES.

May it please the Court:

This is a bill in equity alleging infringement of a trademark—the word "Elgin"—which the appellant—the complainant in the Circuit Court—claims as its exclusive property. The appellees—the respondents in the Circuit Court—as well as the appellant, are *doing business at* the City of Elgin, Illinois. The appellant is engaged in the manufacture of watch *movements* at such city and the appellees are engaged in the manufacture of watch *cases*—both having their factories and places of business located at Elgin. (Record, 4.)

The word "Elgin" was registered by the appellant April 11, 1876, and again, November 14, 1882, and again, July 19, 1892—the bill being founded on the latter registration.

The infringement charged against the appellees grows out of their use of the word "Elgin" in connection with

other words—as "Elgin Tiger," "Elgin Giant," "Elgin Commander," "Elgin, Illinois," either stamped into the metal composing their watch-cases or printed on their guarantee certificates placed in the cases when they are sent out for sale.

His Honor, Judge Showalter, heard and decided the case below, and held that the appellant was entitled to the exclusive use of the word "Elgin" *as a trade-mark* and against one doing business *at the City* of Elgin. Among other things, in his opinion, he said:

> "Notwithstanding the fact, therefore, that the word 'Elgin' is the name of a town and in that sense a geographical name, yet, since in this instance it exercises the function of a trade mark, my conviction is *that it is a trade mark and should be so treated.* The theory of unfair competition in trade would here rest on the fact that the mark of origin on the manufactured article is put on or attached to other articles of the same kind not made by complainant and for the purpose of representing such article as the product of complainant. This is, therefore, strictly *a trade mark case.*" (Record, 24.)

From the above it will be seen that the court granted relief strictly on the ground that the word "Elgin" was a *trade-mark,* and not on the ground that the appellees were *fraudulently* representing *other* goods as those of the complainant.

The court afterwards entered a decree enjoining the appellees from using the word Elgin. This decree was very broad, as it enjoined the appellees

> "from directly or indirectly marking or using the word 'Elgin,' whether alone or in connection with other words or devices, upon watches, watch cases, or

packages containing watches or watch cases going into commerce with foreign nations or with the Indian tribes in such a way as to be liable to cause purchasers or others to mistake said watches or the watch movements incased in said watch cases, for the watches or watch movements manufactured by the complainant." (Record, 31.)

Appellees regarded the above injunction order as being too broad, and so moved, at the time of entry, that it be qualified by adding the following:

> "Provided, however, that nothing herein contained shall prevent the defendants, or either of them, from using the word 'Elgin' upon their watch cases, or upon packages containing their watch cases, to indicate or inform the public that they are manufactured at Elgin, Illinois, and that the defendants' place of business is Elgin, Illinois, nor to prevent the defendants or either of them, from using the word 'Elgin' upon watch cases containing watch movements of the plaintiff's manufacture, or which are truly made at Elgin, Illinois, or to prevent the defendants, or either of them, from using the word 'Elgin' upon their watch cases, or upon packages containing their watch cases to be sold in the United States of America." (Record, 32.)

The court, however, overruled the motion and entered the decree without qualifying the scope or effect of the injunction, as stated in the clause above quoted from the decree.

Appellees thereupon appealed and assigned for error that the court erred in holding that appellant had a trade-mark in the word or name "Elgin"—in holding that the appellees in using the word "Elgin" had infringed such trade-mark—in holding that the appellant was entitled to protection in the name or word "Elgin" and in giving it

protection against the appellees—in entering a decree in favor of the appellant—in not amending the decree as requested by the appellees in their written motion and in not entering a decree in favor of the appellees—and in denying the motion to amend the decree.

The case was reached in due course in the United States Circuit Court of Appeals for the Northern District of Illinois and was heard by Judges Woods, Jenkins and Bunn. The statement of facts and opinion of the court will be found in the Record beginning at page 261. The court reversed the decision of Judge Showalter, with instruction to the court below to dismiss the bill. The appellant has appealed from this decision, and, on page 268 of the Record, assigned as errors that the Circuit Court of Appeals erred in holding that the Circuit Court of the United States for the Northern District of Illinois had no jurisdiction of the cause—in not affirming the final decree of the Circuit Court—in decreeing that the cause be remanded and the bill dismissed—in holding that the Act of Congress of March 31, 1881, is of doubtful constitutionality—and in holding in effect that the appellant was not entitled to register the word "Elgin" as a trade-mark.

These various assignments of error raise all the questions that need be discussed, and we will endeavor to consider them, though not perhaps in the order of their assignment.

THE CONSTITUTIONALITY OF THE ACT OF CONGRESS OF MARCH 3, 1881, RELATING TO TRADE-MARKS.

The present trade-mark law was enacted after this court had decided against the constitutionality of the preceding law in relation to trade-marks. The present act must depend for its constitutionality upon the third clause of the eighth section of the first article of the Constitution. This clause, read in connection with the granting clause, is as follows:

> "The Congress shall have power to regulate commerce with foreign nations, and among the several states, and with the Indian tribes."

Whether or not the present act is constitutional depends upon the interpretation to be given to the words "regulate commerce." If the power to regulate commerce carries with it the power to regulate all the incidents, accessories, externals and trappings of commerce, then we take it the power to enact the present trade-mark law would be unassailable. But if to regulate commerce means to regulate the *thing itself* as contradistinguished from the things which may or may not accompany it, then we submit that the Constitution has not invested the Congress with power to legislate in relation to trade-marks.

This court in *The Trade Mark Cases,* 100 U. S., 95, clearly recognizes the distinction between *commerce* and the things which *accompany* it, saying:

> "Every species of property which is the subject of commerce, or which is used or even essential in commerce, is not brought by this clause within the control of Congress. The barrels and casks, the bottles and boxes in which alone certain articles of commerce are kept for safety and by which their contents are

transferred from the seller to the buyer, do not thereby become subjects of congressional legislation more than other property. *Nathan* v. *Louisiana,* 8 How., 73. In *Paul* v. *Virginia* (8 Wall., 168), this court held that a policy of insurance made by a corporation of one State on property situated in another, was not an article of commerce, and did not come within the purview of the clause we are considering. 'They are not,' says the court, 'commodities to be shipped or forwarded from one State to another, and then put up for sale.' On the other hand, in *Almy* v. *State of California* (24 How., 169), it was held that a stamp duty imposed by the legislature of California on bills of lading for gold and silver transported from any place in that State to another out of the State, was forbidden by the Constitution of the United States, because such instruments being a necessity to the transaction of commerce, the duty was a tax upon exports.

"The question, therefore, whether the trade-mark bears such a relation to commerce in general terms as to bring it within congressional control when used or applied to the classes of commerce which fall within that control, is one which, in the present case, we propose to leave undecided."

In this quotation from the opinion of this court two things are expressly enunciated: That the constitutionality of a law like the present trade-mark law is left *undecided*; that not *every* species of property used in commerce is the *subject* of legislation under the Constitution.

Commerce can exist and be carried on *without* trade-marks. It existed before trade-marks were instituted. It would exist if trade-marks were abolished. Commerce is something, therefore, separate, independent and distinct from the trade-marks used in connection with it. The regulation of the one may, therefore, be entirely separate and distinct from the regulation of the other. Congress

can legislate so as to regulate commerce *without* regulating or affecting trade-marks, just as it can without regulating or affecting the barrels and casks or bottles and boxes in which articles of commerce are kept and transported. Legislating in relation to trade-marks is not, therefore, incidental to or essential to legislating regarding commerce. With the same force could it be argued that legislating in reference to the boxes, bottles, packages or receptacles in which articles of commerce are kept and shipped was legislating in reference to commerce—was legislating under the power to "regulate commerce" given by the Constitution.

There has been no express adjudication under the present trade-mark law holding the Act of Congress to be unconstitutional. Judge Dyer, however, in *Leidersdorf* v. *Flint*, 8 Bissell, 333, under the old law used this language:

> "It may be added, that the constitutionality of the trade mark statute cannot be sustained under the clause which gives to Congress the power to regulate commerce among the several states, nor, in my opinion, under any of the provisions of the Constitution which prescribe the legislative powers of Congress."

It is true that this language used by Judge Dyer was in reference to the old statute which did not purport on its face to be enacted under the clause of the Constitution providing for the regulation of commerce with foreign nations and among the several states, but it was used as his mind was apparently surveying the horizon to see whether there was *any* ground on which the act could he upheld. The Court of Appeals below regarded the language as a direct adjudication on the question as now presented, notwithstanding it was used in a case that arose under the old trade-mark law. They said on page 263 of the Record:

> "That the Congress had no power under the com-

> merce clause of the Constitution to regulate the subject was ruled by the Circuit Court of the United States for the Eastern District of Wisconsin in *Leidersdorf* v. *Flint*, 8 Bissell, 327. This is the only direct adjudication upon that question. Following the decision of the Supreme Court in The Trade Mark Cases, the Congress of the United States enacted the present law, Act of March 3, 1881 (21 Stat., 502), limiting its operations to trade marks used in commerce with foreign nations and with the Indian tribes. There has been no ruling upon the constitutionality of this act, and it need only be said that its validity is fairly doubtful."

In this case the suit is between *citizens of the same state*, so that the only jurisdiction that the federal courts have of the litigation is dependent upon the constitutionality of the act under which the suit is brought. The question, as it seems to us, is, therefore, directly presented, and we respectfully ask this court for an adjudication upon it.

THE NON-APPROPRIABILITY OF THE WORD "ELGIN" AS A TRADE-MARK.

The next ground of defense relied on is that the word "Elgin" is a geographical name and not the subject of appropriation as a trade-mark. The evidence shows that Elgin, Illinois, existed as a town *before* the appellant located its factory there for the manufacture of watch movements. Mr. Hunter, superintendent of the appellant's factory, says that when the appellant located at Elgin it was a town "between four and five thousand population." (Record, 39.) It was, therefore, even at that early date —1865—a town of considerable importance and size, relatively to the importance and size of other towns in Illinois at that time. The appellees located their works at the City of Elgin in the year 1890, where they have carried

on business ever since. The real question for consideration, therefore—both parties being located at Elgin—properly is this:

Can a person begin to manufacture a product at a town already in existence—Elgin, Illinois,—and appropriate the name of such town as a trade-mark to the exclusion of others afterwards doing business *at such town?*

The decisions of the courts in many similar cases have, as we believe, settled the law so that this question can only be answered in the negative. We quote from a number of decisions on this point:

In *Pillsbury-Washburn Flour Mills Company* v. *Eagle,* 86 Fed. Rep., 608, the court held that the word "Minneapolis" could be protected in favor of parties doing business *at* Minneapolis as against parties doing business *elsewhere,* but not against parties who engaged in business at Minneapolis. On page 617 the court said:

> "The complainants can have no exclusive right to the use of the geographical names of 'Minneapolis' or 'Minnesota.' They are not the subject of a trade mark proper. Any one or more of the 200,000 inhabitants of Minneapolis may use that word upon their flour. The defendant or any other person from any state may go there, and establish a mill, and brand his flour 'Minnesota Patent' and 'Minneapolis, Minnesota'."

On page 618 the court stated the distinction that runs through all of the cases by which the name of a town is protectable in favor of the inhabitants *of* such town against others living *elsewhere,* and using the name of the town, but not protectable by *some* of the inhabitants against *other* of the inhabitants of the same town.

> "In the examination of scores of cases referred to in the briefs of counsel, we find very little difference

in opinion on this subject. The distinction, both in the English and American cases, is between those where a geographical name has been adopted and claimed as a trade mark proper, and those where, as in the case at bar, it has been adopted first as merely indicating the place of manufacture, and afterwards, in course of time, has become a well known sign and synonym for superior excellence. In the *latter* class of cases, persons residing at other places will not be permitted to use the geographical name so adopted as a brand or label for similar goods for the mere purpose by fraud and false representation of appropriating the good will and business which long continued industry and skill and a generous use of capital has rightfully built up."

The Minneapolis flour case we regard as decisive of the case now under consideration, even if there were no other. The appellant and the appellees are *both* engaged in business *at* Elgin. They *both* have the right, therefore, to use the name of the town *where* they carry on their business. If the appellees were located *elsewhere* and were marking watches with the word or name "Elgin" which were manufactured *elsewhere,* then we have no doubt that an injunction should go against them under the authority of the above decision. While, however, we regard the above case as decisive of the question, we will, for convenience, quote from a number of the principal decisions touching the question, and particularly from the decisions of this court.

In *Canal Co.* v. *Clark,* 13 Wall., 323—the Lackawanna case—this court, in considering the appropriability of the name "Lackawanna," which was the name of a district in which coal was produced, said:

> " No one can claim protection for the exclusive use of a trade-mark or trade name which would practically give him a monopoly in the sale of any goods other

than those produced or made by himself. If he could, the public would be injured rather than protected, for competition would be destroyed. Nor can a generic name, or a name merely descriptive of an article of trade, of its qualities, ingredients, or characteristics, be employed as a trade-mark and the exclusive use of it be entitled to legal protection. . . .

"He has no right to appropriate a sign or a symbol, which, from the nature of the fact it is used to signify, others may employ with equal truth, and therefore have an equal right to employ for the same purpose.

"And it is obvious that the same reasons which forbid the exclusive appropriation of generic names or of those merely descriptive of the article manufactured and which can be employed with truth by other manufacturers, apply with equal force to the appropriation of geographical names designating districts of country. Their nature is such that they cannot point to the origin (personal origin) or ownership of the articles of trade to which they may be applied. They point only at the place of production, not to the producer, and could they be appropriated exclusively, the appropriation would result in mischievous monopolies. Could such phrases as 'Pennsylvania wheat,' 'Kentucky hemp,' 'Virginia tobacco,' or 'Sea Island Cotton,' be protected as trade-marks; could any one prevent all others from using them, or from selling articles produced in the districts they describe under these appellations, it would greatly embarrass trade and secure exclusive rights to individuals in that which is the common right of many. It can be permitted only when the reasons that lie at the foundation of the protection given to trade-marks are entirely overlooked. It cannot be said that there is any attempt to deceive the public when one sells as 'Kentucky hemp' or as 'Lehigh coal' that which in truth is such, or that there is any attempt to appropriate the enterprise or business reputation of another who may have previously sold his goods with the same description. This is not selling one man's goods as and for those of another. Nothing is more common than that a manufacturer sends his products to market, designating them by the name of the place where

they were made. But we think no case can be found in which other producers of similiar products in the same place, have been restrained from the use of the same name in describing their goods. . . .

"It must then be considered as sound doctrine that no one can apply the name of a district of country to a well known article of commerce, and obtain thereby such an exclusive right to the application as to prevent others inhabiting the district or dealing in similar articles coming from the district from truthfully using the same designation. It is only when the adoption or imitation of what is claimed to be a trade-mark amounts to a false representation, expressed or implied, designed or incidental, that there is any title to relief against it. True it may be that the use by a second producer, in describing truthfully his product, of a name or a combination of words already in use by another, may have the effect of causing the public to mistake as to the origin or ownership of the product, but if it is just as true in its application to his goods as it is to those of another who first applied it, and who therefore claims an exclusive right to use it, there is no legal or moral wrong done. Purchasers may be mistaken but they are not deceived by a false representation, and equity will not enjoin against telling the truth."

We have quoted at length from this case because it has been frequently referred to since by this and other courts, and always with approval, as giving the true reasons underlying the right to protection in trade-mark cases; as, for instance:

In *Lawrence Mfg. Co.* v. *Tennessee Mfg. Co.*, 138 U. S., 547, this court, after quoting from *Canal Co.* v. *Clark*, said:

"We quote thus at length, because the decision is a leading one which has been repeatedly referred to and approved as presenting the philosophy of the law applicable to trade-marks in a clear and satisfactory manner."

If we apply the doctrine of *Canal Co.* v. *Clark* to the facts of the case under consideration, it would seem to be decisive against the contention of the appellant that it has an exclusive right to the use of the word Elgin. The word "Elgin," claimed by the appellant, is a name which is and has been the name of a well-known manufacturing city in Illinois. The appellees' factory and business is located at Elgin. To give the appellant the exclusive right to mark its goods with the name "Elgin"—the name of the place where they are produced—"would practically give it a monopoly in the sale of goods other than those produced or made" by it. Such a concession "would greatly embarrass trade and secure exclusive rights to individuals in that which is the common right of many." If such protection should be given it, this court would be unable hereafter to say that "no case can be found in which other producers of similar products in the same place have been restrained from the use of the same name in describing their goods." To give the appellant the exclusive right to use the name "Elgin" would be to disregard "as sound doctrine that no one can apply the name of a district of country to a well-konwn article of commerce, and obtain thereby such an exclusive right to the application as to prevent others inhabiting the district or dealing in similar articles coming from the district, from truthfully using the same designation." If the appellees be enjoined from stamping or marking their goods with the name of the place where they are produced—Elgin, Illinois—it cannot be said that "equity will not enjoin against telling the truth."

In fact, to grant the appellant the relief asked in this case is to disregard and controvert in practice the whole spirit of the decision and many of its distinct enunciations. But many other decisions remain to the same purport.

In *Brown Chemical Co.* v. *Meyer,* 139 U. S., 542, this court said:

> " The general proposition is well established that words which are merely descriptive of the character, qualities or composition of an article, *or of the place where it is manufactured or produced,* cannot be monopolized as a trade-mark. *Canal Co.* v. *Clark,* 13 Wall., 311; *Manufacturing Co.* v. *Trainer,* 101 U. S., 51; *Caswell* v. *Davis,* 35 N. Y., 281; *Thomson* v. *Winchester,* 19 Pick., 214; *Raggett* v. *Findlater,* L. R., 17, Eq., 29."

In *Columbia Mill Co.* v. *Alcorn,* 150 U. S., 464, this court, in considering the appropriability of the word "Columbia" as a trade-mark, said:

> " The word 'Columbia' is not the subject of exclusive appropriation under the general rule that a word or words in common use as designating locality or section of country cannot be appropriated by any one as his exclusive trade-mark. . . .
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> " The appellant was no more entitled to the exclusive use of the word 'Columbia' as a trade-mark than he would have been to the use of the word 'America,' or 'United States,' or 'Minnesota,' or 'Minneapolis.' These merely geographical names cannot be appropriated or made the subject of an exclusive property. They do not in and of themselves indicate anything in the nature of origin, manufacture or ownership."

Had the court in its enumeration above of localities or cities used the word "Elgin," it could not make the doctrine of the decision more applicable or decisive of the question now before the court. If one cannot appropriate the name "Minneapolis," how can he appropriate the name "Elgin"?

In the Columbia case above this court cited a number of decisions from other courts which it approved as announc-

ing the correct doctrine. One of these presented circumstances much more *favorable* to the contention of the appellant than exist in the case under consideration. We quote what this court said about it in the Columbia case on page 465:

> "In *Glendon Iron Co.* v. *Uhler,* 75 Penn. St., 467, a corporation adopted the trade-mark 'Glendon' which was placed upon their iron. The place where their furnace was located was afterwards erected into a borough by the name of 'Glendon.' Another company, engaged in business in the same place, afterwards used the word 'Glendon' on their iron. It was held that second company had a right so to do. The ruling of the court was rested on the ground that the name 'Glendon' was open to the whole world and that the previous appropriation of it by the complainant did not prevent any other manufacturer of pig iron, in its limits, from using the word."

As showing the much stronger equities in favor of the Glendon Company than exist in favor of the appellant in this case, it should be noted that the Glendon Iron Company located at the place *before* it became a town under the name of Glendon; here the appellant located at Elgin when it was a city of "between four and five thousand inhabitants." In the Glendon case the town adopted its name from the manufacturing company located there; here the appellant adopted its name from the city already in existence. If the appellant could show that it located on the site of the City of Elgin and that the town afterwards came into existence and adopted its name from that of the appellant, then it would be in apparently as favorable a position as was the Glendon Iron Company, and yet the Supreme Court of Pennsylvania held that the name of the town "was common to the whole world," and that "a previous appropriation of it by the complainant did not

prevent any other manufacturer of pig-iron, *in its limits,* from using the same word," and this court approved the correctness of the decision.

The Glendon case, which this court summarized and approved, as above, is so instructive and presents so strong reasons why the appellant should have been protected in the use of the name of the town, if such protection were possible in any case, growing out of the fact that the trade-mark "Glendon" was adopted before the existence of the town, that we quote from it at length for the convenience of the court.

> "Glendon is the name of the town in which the business of each party is located and carried on. It is an incorporated borough. Being then the name of an incorporated town, the main question is whether the appellant lawfully has the exclusive right to use it as a trade-mark. It is conceded, as a general rule, that the name of a town or city cannot be so appropriated as the exclusive property of anyone. This view is well sustained by authority: High on Injunctions, 673; Bispham's Eq., 411; *Wolfe* v. *Goulard,* 18 Howard's Prac. Rep., 64; *Brooklyn White Lead Co.* v. *Masury,* 25 Barb., 416; *Newman* v. *Alvord,* 49 Id., 588; *Candee* v. *Deere,* Supreme Court of Illinois, 10 Am. Law Reg. N. S., 694; *Del. & Hud. Canal Co.* v. *Clark,* 13 Wallace, 311.
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> "It is contended by the appellant that this case is taken out of the general rule, inasmuch as the trade-mark was adopted *prior* to the incorporation of the borough, and *before* there was any town in that place. No authority is cited which supports this distinction.
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> . . .
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> "Appellees did not falsely represent the *place* of their business location. Their pig-iron was actually manufactured *within* the borough of Glendon. It was said in *Canal Co.* v. *Clark, supra:* 'True, it may be that the use by a second producer in describing truthfully his products by a name or combination

of words already in use by another, may have the effect of causing the public to mistake as to the origin or ownership of the product, but if it is just as true in its application to his goods as it is to those of another who first applied it, and who therefore claims an exclusive right to use it, there is no legal or moral wrong done. Purchasers may be mistaken, but they are not deceived by false representations, and equity will not enjoin against telling the truth.' The appellees put upon their pigs the initials of their firm and the name of their town. That name was Glendon to the whole world. It cannot be that the previous appropriation by the appellants of the word which now is the name of the town prevents any other manufacturer of pig-iron *within its limits* from using the same word. If it be so now, it may continue through all coming time. The boundaries of the town may be enlarged. The borough may grow into a city. The manufactories of pig-iron may be multiplied, yet the word most expressive to indicate their location must be denied to all save one. So far as the authorities go to restrain a manufacturer from the adoption of a truthful trade-mark, we will endeavor to enforce them. When asked to go further, we must decline. If the effect of the incorporation of the appellants' district of country into a town by the name of 'Glendon' has been to deprive them of some of their former rights, they must submit to the consequences. So well might they complain of the increased taxation which the municipal corporation has probably imposed upon their property. By the creation of the new municipality they assume new relative rights. They relinquish some which they previously possessed. The rights thereby given to the public become *common to all citizens dwelling therein.*"

The right to the use of the name of a town or place in a trade-mark has frequently been the subject of consideration in the Circuit Courts, and we believe the decisions will be found to be uniform on the proposition that such names cannot be appropriated or enforced against others

doing business *at the same town* or place. We will quote from a few of the decisions, so that your Honors will have the exact language of the courts before you.

In *Evans* v. *Von Laer*, 32 Fed. Rep., 154, Judge Colt said:

> "The complainants by their bill claim, as against the defendant, the exclusive use of the word 'Montserrat,' as a designation for lime juice. Montserrat is the name of a small island in the West Indies. . . . The evidence is that the defendant, or Von Laer & Co., bought lime juice on the island and had it shipped to this country. The fact that the Montserrat Co. may have acquired a high reputation for the purity and strength of their article, and that the importation of Von Laer & Co. may have been inferior in quality, can make no difference, unless the defendant, by improper means and devices, has sought to make the public believe that he was selling the article made by the Montserrat Co. In the absence of fraud the complainants cannot enjoin the defendant from the use of a geographical name. This was settled in the case of *Canal Co.* v. *Clark*, 13 Wall. 311, where the court refused to enjoin the defendant against calling the coal 'Lackawanna' coal, and where it was held that no one can apply the name of a district of country to a well-known article of commerce, obtaining thereby such an exclusive right to the application as to prevent others inhabiting the district or dealing in similar articles coming from the district, from truthfully using the same designation. The fact that such use by another person may cause the public to make a mistake as to the origin or ownership of the product can make no difference, if it is true in its application to the goods of one as to the other. Purchasers may be mistaken, but they are not deceived by false representations, and equity will not enjoin against telling the truth."

In *New York Cement Co.* v. *Coplay Cement Co.*, 45 Fed. Rep., 213, Justice Bradley, affirming 44 Fed. Rep., 277, said:

"This is very different from a claim by a resident of New York City, in common with all the other residents of that city, to the designation of an article as a New York article—for example, New York soap, New York flannels, New York whiskey, etc. Such a trade-mark cannot be maintained. A cigar manufacturer of Havana cannot maintain a claim to a trade-mark in 'Havana Cigars.' If a dealer in New York sells cigars as Havana cigars which are not such, it may be fraud, but it is no violation of a trade-mark which can be claimed by all the cigar makers of Havana. It is open to all persons to go to Havana and manufacture cigars there; but it would be absurd to say that they would thereby acquire a trade-mark in the name 'Havana Cigars.' So all cement manufacturers in Rosendale and its vicinity may rightly call their manufactured article 'Rosendale Cement,' but any other person may go to Rosendale and manufacture cement there, and have the same right. There is no exclusive property in the name, even in those who now reside there or carry on the manufacture there. It is open to all the world. In our judgment there is not, there cannot be, any trade-mark in the name of the place."

In *Genesee Salt Co.* v. *Burnap*, 67 Fed. Rep., 535, Judge Ricks said:

"A court will not enjoin from telling the truth. The facts in this case show that defendants are manufacturing their salt in the Genesee Valley, and to prevent them from using the word 'Genesee' as descriptive of their salt would be to give the plaintiff a monopoly of that word which the law does not intend to give. The case was practically decided on the authority of *Canal Co.* v. *Clark*, 13 Wall., 311. . . . Defendants are entitled to use the name 'Genesee,' representing the locality of the manufacture of the salt."

In *Hoyt* v. *Lovett Co.*, 71 Fed. Rep., 177, Judge Wales said:

"The words 'Green Mountain' being used to de-

note the place of origin of the article to which they were affixed, and the fact that this article is a natural product, brings the present case within the rule laid down in *Canal Co.* v. *Clark,* and *Mill Co.* v. *Alcorn,* already cited. . . . The name given to the vine and to the grape is geographical, designating a particular district or country, and cannot be employed by the complainants to the exclusion of others who deal in similar articles originating in the same locality."

In *Genesee Salt Co.* v. *Burnap,* 73 Fed. Rep., 821, Judges Taft, Lurton and Hammond, through Taft, C. J., said:

"It is well settled and we have just had occasion to decide in this court, that words merely descriptive of the character, quality, and composition of the article, or of the place where it is manufactured or produced, cannot be monopolized as a trade-mark. *California Fig-Syrup Co.* v. *Frederick Stearns & Co.* (decided by this court at the present term), 73 Fed. Rep., 812; *Chemical Co.* v. *Meyer,* 139 U. S., 540, 11 Sup. Ct., 625; *Canal Co.* v. *Clark,* 13 Wall., 311. The name 'Genesee,' when used in connection with the complainant's salt, obviously refers to the place of its production.

"The complainant could, therefore, assert no trade-mark property in it. . . . They may rightfully call it 'Genesee Salt.'"

We have thus far confined our quotations to decisions in the federal courts—Supreme and Circuit—but the reports of the decisions of the Supreme Courts of the states are full of decisions to the same purport. We do not deem it necessary to cite or quote at length from these decisions, as the law is too well established to need the support of their authority. We desire, however, to quote from two decisions in this state involving the name "Elgin"—the same name that is involved in this suit.

In *Elgin Butter Co.* v. *Elgin Creamery Co.*, 51 Ill. App., 232, the court said:

> "In effect the plaintiff claims an exclusive right to the name 'Elgin' in connection with the butter business. . . . We hold that the demurrer to the bill was rightly sustained upon the principle stated in *Candee* v. *Deere*, 54 Ill., 439, and *Bolander* v. *Peterson*, 136 Ill., 215, S. C. 35 Ill. App., 551, that the name of a place cannot be, by one to the exclusion of others, appropriated as a trade-mark."

In *Elgin Butter Co.* v. *Elgin Creamery Co.*, 155 Ill., 136, the Supreme Court, in affirming the decision above, said:

> "It cannot be admitted that complainant . . . has acquired such a property in and monopoly of the words 'Elgin,' 'butter' and 'creamery,' as that no one else can lawfully use the *first* of said words in connection with either of the other two, even when they can truthfully be so used. Nor can it be conceded that farmers in and around the city of Elgin cannot sell the butter that they make as 'Elgin' butter, nor are they precluded from truthfully designating the places where they severally make their butter as creameries at Elgin. And no more can such a concession be allowed as against the right of any other person or corporation engaged in the business of manufacturing, dealing in or selling butter made at a creamery in Elgin, and out of milk and dairy supplies produced in Elgin. As was said by the Supreme Court of the United States in *Canal Co.* v. *Clark*, 13 Wall., 311: 'It must, then, be considered as sound doctrine that no one can apply the name of a district or country to a well-known article of commerce and obtain thereby such an exclusive right to the application as to prevent others inhabiting the district, or dealing in similar articles coming from the district, from using the same designation.' Like doctrine has been announced by this court and in equally emphatic language. *Candee, Swan & Co.* v. *Deere & Co.*, 54 Ill., 439; *Bolander* v. *Peterson*, 136 id. 215."

In *Candee, Swan & Co.* v. *Deere & Co.*, 54 Ill., 439, above referred to, the Supreme Court said:

> "The question is then narrowed down to this: Can one manufacturer of an article at a particular town, whose wares have gained celebrity, appropriate as his own, to the exclusion of every other person in the same place, the name of the place, and thus prevent him from designating his manufactures as of the place where they are actually made? We do not think the cases go to this extent. . . . Is it possible, can it be tolerated for a single moment, that a maker of plows at Moline shall not be permitted to sell his work as a Moline plow—to advertise them in every form as the Moline plow? Would it not be the truth, and shall a manufacturer be prevented from publishing to the world where his wares are made? In what could a contrary notion result but in a monstrous monopoly? . . . If it can be claimed by an association at Moline, it could also be claimed for Peru, Peoria, Chicago, and the various other places at which these implements are largely made."

In view of the above decisions, and their number to the same purport could be greatly enlarged, we do not see how it is possible for the court to sustain the contention of the appellant that it is entitled to prevent the appellees from using the word "Elgin"—*their true place of manufacturing*—on the product of their factory. They cannot inform the world where they are manufacturing and carrying on their business *without* stating that such place is Elgin, Illinois. To enjoin them from so stating will be to enjoin them from telling the truth. The name "Elgin" is the name of the city where the appellees are doing business. It is geographical. Everybody engaged in business at Elgin has the right to state and advertise the fact both on their goods and otherwise. The right to use the name "Elgin"

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is a right *common* to all the people living at Elgin and doing business there. The appellant seeks to claim a right common to the public of Elgin as individual to itself. We submit and insist that this claim cannot be allowed. Its allowance would be in contravention of all the decisions above.

It is contended, however, that the name "Elgin" has acquired a special or secondary signification in connection with the appellant's use and is not, therefore, to be considered or treated as a geographical name. We submit that this can never be the case as against parties doing business *at the place,* the name of which is in controversy. To so hold would be to afford protection in that which the courts declare to be non-protectable. It would be to announce a principle and then to disregard it. How could the court say in *which* sense a party *used* the name? If he might use it *geographically* but not *secondarily,* how can the court say, if a party use the name *alone,* how he uses it? If the court say that the appellees in this case may use the name "Elgin" geographically, but not otherwise, and they use the word "Elgin" by *itself,* how is the court to say they are violating or not violating its order? How can the court say they are using the word in the *one* sense or the other? If they use the word *alone,* how can the court determine their *motive?* One day they might use the word *geographically* and the next day *secondarily*—but on both days exactly *alike.* The distinction is metaphysical and not practical enough for the purposes of courts of justice. There can be, as we submit, no *secondary* meaning attached to the name of a place *as against parties doing business at the place.* They have the right to use the name unhampered by such mythical rights claimed by others. As against parties *not* doing business at a place relief can

of course, be granted in proper cases, to protect the *secondary* meaning of the name of the place, but not where both parties are engaged in business *at* the place. As said by the Supreme Court in *Canal Co.* v. *Clark:*

> "We think no case can be found in which other producers of similar products in the same place have been restrained from the use of the same name in describing their goods."

CASES OF FRAUDULENT REPRESENTATION.

There are two classes of decisions that may be relied on by the appellant, but which, as we view them, have no application to the case under consideration. They both involve an element of fraud.

The first class of these decisions includes all of those cases in which the defendant, *not* doing business at a certain place, has represented his goods as made *at* such place. Such a case was *Newman* v. *Alvord,* 49 Barb., 588. This case is generally known as the "Akron" case. The plaintiffs were manufacturers of cement at the village of Akron in New York, and the defendants were manufacturers of cement at Syracuse, New York. The defendants marked their cement as "Akron" cement when it was not such. They were restrained because they were making a false representation, to the injury of the plaintiffs.

This case is considered and distinguished in *Canal Co.* v. *Clark,* where this court says:

> "The case does not rule that any other manufacturer *at* Akron might not have called his product Akron cement, or Akron water-lime. On the contrary, it substantially concedes that the plaintiffs, by their prior appropriation of the name of the town in connection with the words cement and lime, acquired no

exclusive right to its use as against any one *who could use it with truth.*"

We have referred to the Akron case above simply to call attention to the distinction that should be observed between those cases where *both* the complainant and the defendant are doing business in the *same* town, and those where the defendant is doing business at some *other* place and falsely represents his goods as from the town of the plaintiffs.

The other class of cases is where the defendant has made false and fraudulent representations that his goods are the goods of the complainant—as by adopting its corporate name. In this class of cases it is immaterial that the complainant and the defendant both do business at the same place. Such a case was that of the *Brooklyn White Lead Co.* v. *Masury,* 25 Barb., 416. In considering this case this court, in *Canal Co.* v. *Clark,* said:

> "It was a case of fraud. He had assumed a *false* name in imitation of a prior true one, and with the obvious design of leading the public to think his manufacture was that of the plaintiff. But the court said, as both the plaintiff and defendant dealt in the same article, and both manufactured it at Brooklyn, *each had the same right to describe it as Brooklyn white lead.*"

APPELLEES HAVE DONE NOTHING FRAUDULENT.

In the case under consideration no question of fraud, as we view it, is raised either by the pleadings or the testimony.

The bill does not allege fraud. It declares upon the complainant's registered trade-mark. The only "wrongful" and "unlawful" acts complained of are that the defendants have used the word "Elgin" on their watch-

cases. The prayer of the bill is that the defendants may be enjoined—

> "From directly or indirectly making or selling any watch-case or watch-cases marked with your orator's said trade-mark, and from using your orator's said trade-mark in any way upon watches or watch-cases, or in the defendants' printed advertisements, circulars, labels, or boxes or packages in which their said watch-cases are put up or exposed for sale." (Record, 8.)

There is no allegation in the bill that the defendants have ever represented or sold their goods as and for the goods of the complainant. In fact, they could not do so. The defendants' goods are watch-*cases*. The complainant's goods are watch-*movements*. A watch-movement is a chronometer—time-measuring instrument. A watch-case is a box or enclosing case, in which the watch-movement is placed to preserve it from harm. Nobody could be deceived by the representation that a watch-*case* was a watch-*movement*. Hence, there is no allegation in the bill that the appellees have fraudulently or otherwise represented *their* manufacture as the manufacture of the appellant. The whole gravamen of the charge is that the appellees have infringed the appellant's registered trade-mark—the word Elgin. It is well settled that fraud must be specially pleaded and the facts constituting the fraud set out with particularity.

In High on Injunctions, Sec. 21, it is said:

> "Where fraud is relied upon as the foundation for an injunction the allegations in the bill must be specific and definite acts of fraud, and not mere general averments; and in the absence of such specific allegations a court of equity will not interfere although irreparable injury is alleged."

The bill in this case does nothing of the kind, makes no

charge of fraud, exhibits no facts from which fraud can be properly deducted, and so is insufficient to support any testimony on such subject or to support any injunction on the ground of fraud. The testimony, however, shows no fraud or false or fraudulent representations on the part of the appellees whatever. The appellant has failed to connect the appellees with any false, fraudulent or misleading statements whatever. Some advertisements *by other parties* with whom the appellees are entirely disconnected have been introduced by the appellant against the objection of the appellees. The advertisement from the Washington Evening Star, printed on page 70, and the advertisements inclosed in the letter from Donald Manson, from Australia, printed on page 46 and following, are in no possible way, shape or form connected with the defendants.

Mr. Duncan, president of the defendant company, was asked on page 166 of the Record:

> "Q. 23. The complainant, in its testimony-in-chief, has offered in evidence several advertisements appearing in The Washington Star and other papers. How far, if at all, were such advertisements made with the knowledge or authority of the Illinois Watch Case Company or the other defendants?
>
> "A. Entirely without their knowledge or authority."

Mr. Duncan was asked, on page 169 of the Record:

> "Q. 47. Have the defendants ever represented in any way that the watch cases manufactured by The Illinois Watch Case Company were the manufacture or goods of the complainant, or of any other person, firm or company?
>
> "A. No, sir."

To entitle appellant to relief on the ground of false and fraudulent conduct on the part of the appellees, the evidence must be very strong and clear that there was fraud.

The evidence must be convincing that the appellees were endeavoring to palm off their goods as those of the appellant. Such evidence cannot arise out of the use by the appellees of words, marks or other indicia which they have the *right* to use, unless they are used in a way to amount to a false representation that their goods are the goods of the appellant.

In *Lawrence Mfg. Co.* v. *Tennessee Mfg. Co.*, 138 U. S., 551, this court said:

> "The deceitful representation of perfidious dealing must be made out or be clearly inferable from the circumstance. If, in this case, the letters L L formed an important part of plaintiff's label, and the defendant had used them in such a way and under such circumstance as to amount to a false representation, which enabled it to sell and it did sell its goods as those of plaintiff, and this without plaintiff's consent or acquiescence, then plaintiff might obtain relief within the principle of the cases just cited. But there is no such state of facts here. The brands are entirely dissimilar in appearance."

In *Brown Chemical Co.* v. *Meyer*, 139 U. S., 544, this court said:

> "The theory of a trade-mark proper then being untenable, this case resolves itself into the question whether the defendants have, by means of simulating the name of plaintiff's preparation, putting up their own medicine in bottles or packages bearing a close resemblance to those of plaintiff, or by the use of misleading labels or colors, endeavored to palm off their goods as those of the plaintiff. The law upon this subject is considered in the recent case of *Lawrence Mfg. Co.* v. *Tennessee Mfg. Co.*, 138 U. S., 537. The law does not visit with its reprobation a fair competition in trade. Its tendency is rather to discourage monopoly, except where protected by statute, and to build up new enterprises from which the public is likely to derive a benefit.

If one person can by superior energy, by more extensive advertising, by selling a better or more attractive article, outbid another in popular favor, he has a perfect right to do so. Nor is this right impaired by an open declaration of his intention to compete with the other in the market. . . .

"The right of the plaintiff to maintain this bill then must rest upon the assumption that the words 'Brown's Iron Tonic' bear such a resemblance in sound and appearance to the words 'Brown's Iron Bitters' that the public are liable to be misled. But if the words 'Iron Bitters' cannot be lawfully appropriated as a trade-mark, it is difficult to say upon what theory a person making use of these or similar words can be enjoined. We understand it to be conceded that these words do not in themselves constitute a trade-mark; it follows then that another person has the right to use them, unless he uses them in such connection with other words or devices as to operate as a deception upon the public. If the defendants be liable at all, then it must be by the addition of the patronymic 'Brown' to the words 'Iron Tonic.' But the evidence shows that the preparation was originally compounded by a person of that name of whom the present manufacturers are the successors in business, and, in the absence of testimony tending to show an intention to palm off their preparation as that of the plaintiff, they have a right to such use."

If the appellees in this case have the *right* to use the word Elgin, and are using it in a *lawful* manner, it is immaterial that others are taking advantage of the presence of the word Elgin to impose upon the public. It is as when a manufacturer makes lawful articles—as fire arms—and others put them to an unlawful use. No liability can arise from a lawful act.

There is no proof in the record that the appellants have ever instigated the commission of frauds or false repre-

sentations on the part of the parties to whom they sell their watch-cases or others. Nor are they charged with such instigation. The allegation of the bill, on page 7 of the Record, simply is that others may inclose watch-movements in the appellees' cases and represent the entire watch to be of the appellant's manufacture. The appellees sell their watch-cases to wholesale jewelers. That is the way they dispose of the product of their manufacture. On page 165 of the Record Mr. Duncan says:

> "Q. 20. How does the Illinois Watch Case Company dispose of the watch-cases manufactured by it?
> "A. To the wholesale jewelers.
> "Q. 21. Does it sell them outright?
> "A. Yes, sir.
> "Q. 22. After it has sold its watch-cases to the wholesale jewelers, what further control does it have over them, if any?
> "A. No control whatever."

If any fraud is committed, it is committed by the purchasers at their own instance and without any instigation on the part of the appellees. They alone are liable for such fraud or false representation.

In *American Cereal Co.* v. *Ely Pettijohn Cereal Co.*, 72 Fed. Rep., 907, the court said:

> "Complainant insists that retail dealers and traveling salesmen impose on the public by substituting defendant's rolled wheat for that made by complainant, and that such fraud is made possible by the use of the name 'Pettijohn' by defendant. Some confusion might, no doubt, arise by the common use of this name by the two competitors, but defendant denies any instigation of frauds of this kind. I can not hold that the wrapper used by defendant of itself—assuming defendant's right to use the name 'Pettijohn'—indicates any purpose of confusing one product with the other, or of playing into the hands of persons disposed to fraudulently confuse the one product with the other."

By an inspection of each of the watch-cases offered in evidence as showing appellees' manufacture, your Honors will find a guarantee certificate in the back of each. This guarantee certificate in each case contains the plain statement that the appellee company is the manufacturer, and gives Elgin, Illinois, as the place of manufacture. Each one of these certificates accompanies a watch-case, and no evidence has been introduced to show sales of cases unaccompanied by them. In reference to these matters Mr. Duncan says, on page 167 of the Record:

> "Q. 36. I notice the name of your company on each of these guarantee certificates. Has such name always been used in connection with these guarantee certificates?
>
> "A. Yes, sir.
>
> "Q. 37. If the words 'Elgin, Ill.,' which I find on each of these guarantee certificates were omitted, how would a purchaser of a watch containing one of your watch-cases know where to find your company to call upon you for the fulfillment of the guarantee?
>
> "A. They would have no means of knowing by whom it was manufactured."

It cannot be claimed that there is any simulation by the appellees of any labels used by the appellant, or that any confusion can arise from the style and character of the labels. The appellee company has made its personality as distinguished and pronounced as possible. It has carefully distinguished its manufacture from that of the appellant. The whole contention reverts, therefore, to the use of the word "Elgin," pure and simple. If any confusion arises it grows out of the fact that the appellant has attempted to appropriate a name as its *exclusive* property which the appellees can use with *equal* truth and propriety in the description of their manufacture. This raises no

legal or moral liability. As said by the Supreme Court in *Canal Co.* v. *Clark:*

> "True it may be that the use by a second producer, in describing truthfully his product, of a name or a combination of words or any use by another, may have the effect of causing the public to mistake as to the origin or ownership of the product; but if it is just as true in its application to his goods as it is to those of another who first applied it, and who therefore claims an exclusive right to use it, there is no legal or moral wrong done. Purchasers may be mistaken, but they are not deceived by a false representation."

The appellant does not manufacture watch-*cases*. It manufactures watch-*movements* only. It therefore intends by the course of its manufacture that the *cases* shall be supplied by others. Their course of business exposes them naturally and necessarily to danger. Any of the movements might be inclosed in a spurious and worthless case and the purchaser, supposing that the entire watch—case and movement—was the product of the appellant's manufacture, would, on the discovery of the spurious nature of the case which he had purchased, supposing it to be gold, visit the appellant in his own mind with the consequence of the fraud. He would have his faith and confidence in the quality of its goods diminished. The court cannot protect the appellant from the liability to fraud growing out of the dishonesty of retail dealers who sell the completed watches to their customers. The only way that the appellant can be fully protected is to manufacture *both* the watch-movements and the cases and sell them as a completed article. So long, however, as the appellees are not perpetrating or instigating fraud the court will not visit them with the punishment that can only be properly meted out to those who perpetrate the fraud.

The Circuit Court of Appeals, in deciding the case below, distinctly and affirmatively held that the appellant was not entitled to relief on the ground of fraud. In their opinion, on page 265 of the Record, they say:

> "It may also be remarked that this bill is not framed upon any theory of fraud or fraudulent conduct upon the part of the defendants thereto, except as it is to be inferred from the use of the complainant's registered trade-mark. It is not alleged that they have ever represented or sold their goods as the goods manufactured by the complainant. The one is a manufacturer of watch movements, the other of watch cases. To be sure, it is claimed, and possibly is established by the proof, that the watch cases of the appellants have been used by dealers to contain watch movements of inferior quality to those made by the appellee and possibly the purchaser deceived into believing that he had purchased a watch manufactured by the appellee. But this is not charged to have been done by the appellants or with their knowledge or consent, or that they have entered into any scheme or combination to impose upon the public. The only imposition suggested is the possibility that from the general reputation of the watches manufactured by the appellee and their known designation as Elgin watches, confusion is likely to result and the purchaser be induced to purchase the one article when he desires another. That might result from the lawful use of a geographical name, and is without remedy unless coupled with fraud upon the part of the appellants or those acting for and under them. However strong, the proof must respond to the allegations of the bill; so that whether we consider the case from the standpoint of jurisdiction or from the case made by the bill we are constrained to the conclusion that the decree below was erroneous."

Furthermore, the appellant is not entitled to any relief on the ground of fraud or misrepresentation unless the court find the registration of the word "Elgin" to

be valid as for a *lawful* trade-mark. The only circumstance which gives the court jurisdiction where the parties are citizens of the same state, as in this case, is the fact of a *registered* trade-mark. The ground of fraud or misrepresentation is insufficient. If, therefore, the only fact which *can* give the court jurisdiction be *eliminated* by the finding of the court that the complainant does not have a lawful registered trade-mark, then nothing remains, even if fraud or misrepresentation were alleged, that can give the court jurisdiction. It is as though the bill alleged diverse citizenship as a ground for jurisdiction and the court found that such fact did not exist and that the parties were citizens of the same state.

This phase of the case was considered by the Circuit Court of Appeals below, and on page 265 of the Record they said:

> "It is said that the evidence in this case is of that persuasive character which irresistibly leads to the conclusion that here was such gross fraud that a court of equity should not stay its hand, but should enjoin the guilty party from further deception and wrong. Unfortunately, however, if we should concur with counsel to the full extent of his contention, we are, as we think, without jurisdiction to grant relief; or, to say the least, that jurisdiction is of so doubtful a nature and so limited in extent and under an act of doubtful constitutionality, that we must decline to exercise it. The right of the appellee arises under the act of Congress and is limited to a trade-mark. By the statute the right of action is given to him to recover damages 'for the wrongful use of said trade-mark,' or he may have his remedy according to the course of equity, 'to enjoin the wrongful use of such trade-mark used in foreign commerce or with the Indian tribes.' It is only by virtue of that statute and for the protection of a right arising under the Federal law, that the appellee has standing in the Federal

court, for all the parties to this suit are citizens of the same State. The remedy in equity for fraud to which we first referred, is one which existed before the statute and is not given by it. It was not applied to protect the infringement of a trade-mark, but recognizing the invalidity of the supposed trade-mark was applied for the prevention of fraud; and that a Federal court may have jurisdiction in such a case we think there must exist and appear from the record the necessary diverse citizenship of the parties."

It seems to us, therefore, that no possible ground of relief can exist if the court find against the appropriability and registrability of the word "Elgin" as a technical trade-mark. The right of the court to give relief of any kind or description depends upon a finding that the appellant has a *lawful registered* trade-mark.

APPELLEES' REMOVAL TO ELGIN.

But it is claimed that the appellees removed their place of business to Elgin so that they *could* use the name Elgin, and that this is evidence of fraud. The *motive* which may have actuated the appellees in locating at Elgin is immaterial. The simple question is whether they have a *right* to use the name and are using it in a way that they have a right to. But if the contention that the appellees removed to Elgin so that they could use the name Elgin as their place of manufacture were true, and if they had no other inducement for going there, it would be immaterial; but it is not true.

It appears from the evidence that the appellees removed their works to Elgin, Illinois, because special inducements were offered to them by the citizens of Elgin. Mr. Duncan, on page 165 of the Record, was asked:

"Q. 12. What inducement, if any, was offered your company to locate at the City of Elgin?

"A. The citizens of Elgin supplied us with the building and ground suitable to our requirements.

"Q. 13. Do you mean that such building and grounds were donated to your company if it would locate at Elgin?

"A. Yes, sir."

It is evident that the citizens of Elgin were desirous of having the appellees locate their works there, and the inducement offered was a proper and legitimate one for them to consider. Furthermore, the reputation of Elgin as a manufacturing point—even its reputation as a point where watches were manufactured—was a proper and legitimate consideration for the appellees to act upon.

In *Wotherspoon* v. *Currie*, 42 L. J. Ch., 130—commonly known as the Glenfield starch case—Lord Justice James, in dissolving the injunction which had been granted below restraining the defendant from using the word Glenfield, said:

> "I am of the opinion that the injunction in this case cannot be sustained. The word 'Glenfield' is not a fancy name like 'The Victoria,' or 'The Albert,' or 'The Excelsior,' and various names of that kind, which were fancy names, actually constituting a trade-mark in themselves; but Glenfield, although it is not a place as big as London, Glasgow, or Paisley, and is not even a post town, or a market town, or village, is a place which has an actual existence as the site of some manufactory, is yet a place containing some few houses, and is a place at which the plaintiff's starch was manufactured. The defendant, no doubt moved by the great reputation which the plaintiff's 'Glenfield Starch' had acquired, was minded to establish works at Glenfield. *That was what any one might do.* Although the works of the plaintiff had been removed from Glenfield, Glenfield was not,

as it seems to me, tabooed to all the world as a place or site for the manufacture of starch."

To admit the contention of the appellant, your Honors must go to the extent of saying that nobody engaged in the manufacture of watches, watch-movements, watch-cases, or parts of watches, can safely locate at Elgin, Illinois, or state the fact on their goods that they are manufactured at Elgin, Illinois.

Indeed, they cannot safely locate at any other town named "Elgin" and mark the name on their goods if appellant's contention be admitted. Yet, as appears from the Postal Directory, there are some eighteen towns named "Elgin" in the United States. There is Elgin, Ark.; Elgin, Ga.; Elgin, Ill.; Elgin, Ia.; Elgin, Kan.; Elgin, Mich.; Elgin, Minn.; Elgin, Mo.; Elgin, Neb.; Elgin, N. Y.; Elgin, O.; Elgin, Ok.; Elgin, Or.; Elgin, Pa.; Elgin, S. C.; Elgin, Tenn.; Elgin, Tex.; Elgin, Wash. We submit that it is preposterous to say that manufacturers of watches, watch-cases or watch-movements at any one of these "Elgins" cannot use the word "Elgin" in connection with their goods.

Furthermore, as showing the desire of the appellees to do nothing beyond what they had a clear right to do, is the letter from Mr. Sheridan in their behalf printed on page 138 of the Record, in which the appellees offered, for the sake of peace, to forego the use of the word "Elgin" when used by itself and disassociated without other words.

APPELLANT'S FALSE REPRESENTATIONS.

Furthermore, it appears from the deposition of Mr. Cutter, who states, on page 30, that he has "general supervision of the commercial part of the business" of the appellant's company, that the appellant has been advertising the *entire watch*—case as well as movement—as of their manufacture. On page 80 of the Record he says:

> "X Q. 138. In one of your answers you state that the complainant has expended several hundred thousand dollars in 'advertising Elgin watches.' Do you mean by this that complainant has expended such large sums in advertising its watch-movements?
>
> "A. No, sir; in advertising 'Elgin watches' to the public. We never have advertised in any other way to the public.
>
> "X Q. 139. Does complainant manufacture or sell complete watches, case and movement or all of the parts being put together?
>
> "A. Not at the present time. We have sold complete watches in times past. This refers to odd-sized movements that we manufactured some years ago—fully fifteen years ago.
>
> "X Q. 140. Then, when you speak of advertising Elgin watches at present, you really mean watch-movements, do you not?
>
> "A. No. We mean the complete watch, so far as the public is concerned. They get it in no other form. They would not know what Elgin movements are were we to advertise them as such, and the company never have advertised 'Elgin movements' to the public. . . .
>
> "X Q. 142. As a matter of fact, a 'watch' includes both movement and case, does it not?
>
> "A. Yes, sir.
>
> "X Q. 143. And the word is so understood in the trade and by the public generally, is it not?
>
> "A. I believe so."

From the above it appears that the appellant has been

advertising in a way to *claim* and *receive* the benefit of *other* people's work. They have claimed the *whole* watch as theirs—they so advertise it—and yet they are making only a *part* of it. They have advertised in a way that has been calculated to deceive, and which must have deceived, the public. People buying a watch of which a *part* was manufactured by the appellant—the movement—have been led to believe that they were getting a watch of which *all* of the parts were manufactured by the appellant. They have been advertising in a way to get the benefit of any superiority in the quality of the *cases* which has resulted from the honesty and efficiency of other people's work. This constitutes a fraud on the public. It is as bad as if the appellees were advertising their watch-*cases* as the *whole* thing—the entire watch—so as to get the benefit of the superior workmanship and skill of the appellant in the manufacture of its watch-movements.

Appellant's counsel insisted in his argument that the appellees should be required to state on their watch-cases the fact that only the *case* was of their manufacture. If this be so, then the appellant should be required, in honesty and good faith, to state on its watch-movements that only the watch-*movement* was of its manufacture, and its failure to do so constitutes a fraud on the public.

We submit and insist that the appellant's course of advertising has been deceptive and fraudulent to an extent that disentitles it to any relief in this suit aside from other considerations.

THERE IS NO INFRINGEMENT.

But aside from the question as to the appropriability of the word "Elgin" and the question of false and fraudulent representations on the part of the appellant, it seems to us that there is no infringement. The word "Elgin" is applied to two entirely *distinct* classes of goods. The appellant uses it on watch-*movements*; the appellees use it on watch-*cases*. A watch-movement is distinct from a watch-case—as distinct from a box as the thing enclosed in the box. The appellant has never manufactured watch-*cases*, but watch-movements *exclusively* (Record, 43), and the appellees have never manufactured watch-*movements*, but watch-cases *exclusively*. (Record, 164, 165.) It takes both a watch-movement and a watch-case to make a watch. (Record, 81.)

Neither the appellant nor the appellees, therefore, manufacture a "watch." They only manufacture distinct *parts* of a watch. A watch is the result of the *combination* of the two manufactures. The one part cannot be confounded with the other. No person will ever buy a watch-*case*—the product of the appellees' factory—under the supposition that he is getting a watch-*movement*—the product of the appellant's factory.

From the file-wrapper and contents of the registration of the word Elgin, November 14, 1882, certificate 9,810, it appears from page 183 of the Record that the appellant first attempted to register the word "Elgin" as "a trade-mark for *watches*," and stated that it was used "to designate particular classes or styles of watches." Afterwards, as appears from the letter printed on page 185 of the Record, applicant erased the word "watches" and limited its registration to watch-movements.

Afterwards, when appellant came to apply for the certificate sued on, No. 21,462, of July 19, 1892, it again said, as appears from page 192 of the Record, that the word Elgin was "used to designate particular classes or styles of *watches.*" This was afterwards struck out and the certificate issued with the statement that "the class of goods to which the trade-mark was appropriated is time-keeping instruments"—watch-movements.

From this examination of the proceedings in the Patent Office, it is clear that the appellant recognized and made the distinction between watch-*movements*—time-keeping instruments—and *other* portions of a watch.

In view of the fact that watch-*movements* are entirely separate and distinct from watch-*cases,* and of the fact that the appellant distinctly *limited* the statement in the applications for registration to the use of the word "Elgin" on watch-*movements* or time-keeping instruments, it should not be permitted to extend the scope of its rights to include an article *that it has never manufactured or sold*—watch-cases.

As, therefore, the appellant manufactures and sells *one* class of articles and the appellees *another*—the two classes being distinct and separate—no infringement is shown or can exist.

EFFECT OF REGISTRATION.

The appellant's counsel in his argument seems to attach great importance to the fact of registration. The registration does not *create* a trade-mark or make that a trade-mark which otherwise would *not* properly be one. Section 1 of the Act of 1881 says among other things that "owners

of trade-marks used in commerce with foreign nations," etc., "may obtain registration of such trade-marks." It does not define what *constitutes* a trade-mark. It leaves the question as to what constitutes a trade-mark precisely where it was before. The decisions appear to be uniform to this effect.

Popham v. *Wilcox,* 24 Abbott's Practice Reports, 208.

Glen Cove Mfg. Co. v. *Ludeling,* 22 Fed. Rep., 823.

Moorman v. *Hoe,* 2 Saw., 78.

Smith v. *Reynolds,* 10 Blatch., 100.

Trade-Mark Cases, 100 U. S., 82, 92.

Browne on Trade-Marks, Secs. 45-51.

The Court of Appeals below distinctly recognized and announced this doctrine, saying on page 263 of the Record:

> "The statute does not define what shall constitute a trade mark. To determine, therefore, what that trade mark is which is protected by this statute, we must be referred to the common law."

TRADE-MARKS LIMITED TO FOREIGN COMMERCE.

If, however, the appellant should be able to satisfy your Honors that the Act of March 3, 1881, is constitutional; that the name or word "Elgin" is properly appropriable as a trade-mark or name; that the appellees have infringed such mark; that the appellant is not disentitled to relief by reason of its own fraudulent conduct, then we submit and insist that the appellant is only entitled to relief in reference to watch-cases actually used in *foreign* commerce or in commerce with the Indian tribes.

Section 7 of the Act of March 3, 1881—the act now in

force—after saying that the defendant may be liable to an action on the case, proceeds:

> "The party aggrieved shall also have his remedy according to the course of equity to enjoin the wrongful use of such trade-mark used in foreign commerce or commerce with the Indian tribes."

In *Luyties* v. *Hollander,* 21 Fed. Rep., 281, Judge Wheeler, in considering a registered trade-mark, said:

> "The laws of the United States now in force, under which this trade-mark was registered, relate only to trade-marks specially used in commerce with foreign nations or with Indian tribes. Act of March 3, 1881 (21 St. at Large, c. 137, Sec. 1). They are particularly restricted so as not to give cognizance to any court of the United States in an action or suit between citizens of the same state, unless the trade-mark in controversy is used on goods intended to be transported to a foreign country, or in lawful commercial intercourse with an Indian tribe. Id., Sec. 11. The goods on which the trade-mark in question is used are not intended to be transported to any foreign country, nor for any Indian tribe, but are mineral waters sold for consumption in the city of New York; and the parties are all citizens of the State of New York. As this case is now presented, the orators are not entitled to maintain it in this court."

In *Shumacher* v. *Schwencke,* 26 Fed. Rep., 819, Judge Wheeler, in considering a registered trade-mark, said:

> "The authority of Congress over this subject arises from the power to regulate commerce, and does not extend to the protection of trade-marks within a state. Trade-Mark Cases, 100 U. S., 82. The orator may have a valid trade-mark, and an exclusive right to its use in New York; but, if so, his rights in that respect do not rest upon the laws of the United States. The registration under the statute only confers a right to it in foreign commerce, and a claim for infringement, or to be protected against infringement, cannot arise under the constitution or laws of the United States

unless the infringement is upon the right to use it in foreign commerce, which can only be by using a trade-mark without right in such commerce. The jurisdiction is not conferred at all by express words of the statute; but only by providing a mode of acquiring a right, a suit for the invasion of which would arise under the laws of the United States within the Act of 1875. The clause quoted from is restrictive of that jurisdiction. The defendants do not infringe upon any right resting upon the laws of the United States unless they use the trade-mark in foreign commerce, and jurisdiction of a suit for such infringement is not left in the courts of the United States unless such infringement consists in using the trade-mark by the defendants upon goods intended to be transported to a foreign country. The bill falls short of alleging such use; and this court appears to be without jurisdiction to restrain the use which is alleged."

In *Prince Paint Co.* v. *Prince Mfg. Co.*, 53 Fed. Rep., 493, Judge Butler, in considering a registered trade-mark, said:

"Have we jurisdiction? The plaintiff and the principal defendant are citizens of Pennsylvania. To give us jurisdiction it must therefore appear that a federal cause of action is set out. The breach of a common law trade-mark is not such a cause. While registration is averred there is no charge of infringing the plaintiff's rights under it. Such registration protects the use of the mark in foreign commerce and with Indian tribes; nothing more. It would seem, therefore, to follow very plainly that the facts necessary to confer jurisdiction are not averred. The bill is drawn precisely as if for trial in the state courts; and presents a proper cause of action for these tribunals. It seems to have been supposed that we can redress injuries resulting from trespass on the plaintiff's common law rights. That we cannot is clear, we think, on principle, and has been so decided. *Schumacher* v. *Schwencke*, 26 Fed. Rep., 818. Indeed the facts seem to be admitted in the plaintiff's brief at page 4.

"After the defendant's evidence was in, the plaintiffs supplemented their proof with a view to showing infringement in foreign commerce. This evidence called for no answer under the pleadings, and is therefore deemed irrelevant. But the infringement is, at best, so slight that even if the necessary averments were made we think the bill should not be entertained. It is virtually immaterial. The real controversy is about the common law trade-mark and its use by the defendants in domestic commerce. This fact is very clear. . . . In the New York suit the plaintiff's answer asserts that the principal market for the paint is in New York; and the sales of both parties are almost exclusively in the United States; the foreign trade is inconsiderable. Inasmuch, therefore, as the controversy is one for the state courts, and they alone can redress the substantial grievance stated, why should we retain the bill even if it contained the necessary jurisdictional averments, and thus forestall the judgments of the state courts, by passing on the common law rights asserted, without being able to accomplish any other substantial result? We think we should not."

In this case no sales in foreign commerce are shown beyond the admission of Mr. Duncan, on page 175 of the Record, where he says that this has been done "in a few instances," and that in those instances "the word Elgin was *not used alone*." In his deposition, on page 167 of the Record, Mr. Duncan gives the names of the cities in which the wholesale jewelers to whom the appellees sell their watch-cases are located. He says that the purchasers of their watch-cases are all located in the United States. Afterwards upon returning to Elgin and examining the company's books he made the correction above quoted where he says that they have sold to parties outside of the United States "in a few instances." The only other testimony of sales outside of the United States is contained in

the statements of the certificates of registration for the words "Elgin Tiger" and "Elgin Giant." There is no other testimony whatever of sales by the appellees to parties outside of the United States. Their sales now are apparently entirely inside of the United States, and such few sales have been made outside of the United States that the president of the company had no recollection of them at all until he had refreshed his memory by an examination of the company's books. This case, therefore, is like that decided above by Judge Butler. The sales abroad have been "virtually immaterial," "the foreign trade is inconsiderable," "the real controversy is about the common law trade-mark and its use by defendants in domestic commerce," "the controversy is one for the state courts," "they alone can redress the substantial grievance stated," and why should this court "forestall the judgment of the state courts by passing on the common law rights asserted," and why should it do this "without being able to accomplish any other substantial result"?

In view of the decisions quoted above and of the facts as disclosed by the testimony, we submit that the appellee has not, either by its pleadings or by its proofs, presented such substantial facts as justify this court in entertaining jurisdiction, particularly when the measure of its relief must be confined to the foreign sales which have been "virtually immaterial" and to the foreign trade which is "inconsiderable."

The Appellate Court below seemed to have taken this view of the case where in their opinion on page 266 of the Record they say:

> "The courts of the State furnish ample remedy for the wrong, if any, under which the appellee suf-

> fers. We have no right to redress or prevent trespass upon the common-law rights of the appellee, the citizenship of the parties forbidding jurisdiction. If it were allowable to us to assume jurisdiction to grant equitable relief upon the ground of fraud, if the bill were aptly framed to that end, the relief could only extend in restraint of the wrong, so far as it affected foreign commerce and commerce with the Indian tribes. The proofs show that such commerce in the case before us has been so slight as to be practically immaterial, and that the real controversy is concerning State and interstate commerce in the manufactured article. Complete remedy for the wrongs suffered by the appellee can only be given in the courts of the State in which the parties are resident. It is therefore not becoming, as we think, to assume a doubtful jurisdiction under a statute of doubtful validity."

Instead, however, of applying to the state courts for relief, as suggested by the Court of Appeals above, the appellant applied to the federal courts because, as we think, of the decision of the state courts on the word "Elgin" in the Elgin Butter Company case cited above. The decisions of the Appellate and Supreme Courts of Illinois on the word "Elgin," cited above, show plainly, as it seems to us, that the appellant would not be granted relief in the state courts. This makes the language of Judge Butler in the Prince Paint Company case pertinent where he says:

> "The application now made looks like an effort to experiment with another jurisdiction, which, as before suggested, would afford additional reason for declining to retain the bill, even if the necessary jurisdictional averments were found in it."

Since the foregoing was written, appellant's brief has been filed and we have received a copy thereof; and although the same seems to be substantially answered in what has been already said, we now desire to submit the following special suggestions in reference thereto:

Appellant calls attention to the fact that in the registration of appellee's trade-mark "Elgin Tiger," registered December 5, 1893, Mr. Eppenstein, then the president of the appellee company, stated that his company had used the words "since about the first of June, 1887," which was before the removal of the appellee company to Elgin in May, 1890. Appellant lays stress on this as showing that the name was used prior to the removal to Elgin. The only evidence on this point appears to be the affidavit contained in the registration of the trade-mark "Elgin Tiger." Mr. Eppenstein was not called or examined as a witness, although he resides at Chicago, and it would have been easy for the appellant to have subpœnaed him and establish the truth or falsity of his affidavit in this particular.

Assuming, however, that the statement was true, what of it? Appellant's certificate of registration of the word "Elgin" is dated July 19, 1892. The registration declared on on was, therefore, *more than two years* after appellee company had established itself *in business at* Elgin. The bill resting on the registration alone, what was done *prior* to the date thereof is of course immaterial. There could be no infringement of the *registered* trade-mark until *after* the registration, and at that time the appellee company was, and for *more than two years* had been, located at Elgin. And we can find no evidence whatever in the record showing sales in *foreign* commerce in which the word "Elgin" was used *after* July 19, 1892—the date of registration.

Appellant in its brief seeks to establish fraudulent con-

duct on the part of the appellee company. As above suggested, however, this was *prior* to the date of the registration on which the appellant's rights are founded. But fraud and fraudulent conduct are not alleged in the bill and cannot be made the ground of *relief*, inasmuch as *all* the parties are citizens of the State of Illinois. If the registration be invalid, fraud and unfair competition, even though alleged and proved, would be insufficient, as the court can have no *jurisdiction* if the registration fall. On this ground, if there were no other, therefore, all claim for relief predicated on the ground of *fraud* is immaterial and irrelevant.

Appellant argues that parties are often protected in the use of geographical names. A number of English cases are cited and a few American cases in support of the proposition. As to the English cases, unless predicated on the ground of fraud, they do not express the law of this country as established by this court. As to the American cases, unless subject to like qualification, they are contrary to the law as laid down by this court and are of no importance. In most of them, however, we think an examination will show that the geographical name protected was against parties doing business at *some other place*. This is true of the decision of Judge Severens in *Gage-Downs Co.* v. *Featherbone Corset Co.*, 83 Fed. Rep., 213, cited at length on pages 40 and 41 of appellant's brief.

We contend that parties can never be protected in the use of geographical names *except* as against parties doing business *elsewhere*, and then, not on the ground of *trademark*, but on the ground of fraud. This distinction is fully recognized by this court in the cases cited above and runs, we believe, through all of the cases which can be considered as expressive of the *law* of this country. The principle seems so plain that a "wayfaring man, though

a fool, cannot err therein;" but if this is not so, then we respectfully submit that it should be made thus plain by the decision in this case. It is time that the bench and the bar of this country should be given to understand that the name of a town is free and open to the use of *everybody* residing and doing business *in* the town, and that it will only be protected as against parties residing *elsewhere*, and then only on the ground of fraud.

CONCLUSION.

We submit and insist that the trade-mark Act of March 3, 1881, is unconstitutional; that the word "Elgin" cannot be appropriated by the appellant as a trade-mark; that no right of relief exists in the appellant as against the appellees doing business at Elgin on the ground of trade-mark, fraud or otherwise; that the appellant is disentitled to relief owing to its deceptive method of advertising its goods; and that the decision of the United States Circuit Court of Appeals directing that the bill should be dismissed for want of equity should be affirmed.

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For Appellees.

November 15, 1900.